

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE EASTERN DISTRICT OF VIRGINIA
Richmond Division**

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In re:	:	Chapter 11
	:	
CIRCUIT CITY STORES, INC., <u>et al.</u> ,	:	Case No. 08-35653-KRH
	:	
	:	Jointly Administered
Debtors.	:	
-----X		

**OBJECTION TO DISCLOSURE STATEMENT WITH RESPECT TO JOINT PLAN OF
LIQUIDATION OF CIRCUIT CITY STORES, INC. AND ITS AFFILIATED DEBTORS
AND DEBTORS IN POSSESSION AND ITS OFFICIAL COMMITTEE OF CREDITORS
HOLDING GENERAL UNSECURED CLAIMS**

Generation H One and Two Limited Partnership, Inland Southwest Management LLC, Inland American Retail Management LLC, Inland US Management LLC, Inland Pacific Property Services LLC, Inland Continental Property Management Corp., Tanglewood Park, LLC, Roth Tanglewood, LLC and Luckoff Land Company, LLC as Tenants in Common, Drexel Delaware Limited Partnership and N.P. Huntsville Limited Liability Company (the “Objectors”) hereby object to the Disclosure Statement With Respect to Joint Plan of Liquidation of Circuit City

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Michael D. Mueller, Esquire (VSB No. 38216)
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Counsel to Generation H One and Two Limited Partnership, Inland Southwest Management LLC, Inland American Retail Management LLC, Inland US Management LLC, Inland Pacific Property Services LLC, Inland Continental Property Management Corp., Tanglewood Park, LLC, Roth Tanglewood, LLC and Luckoff Land Company, LLC as Tenants in Common, Drexel Delaware Limited Partnership and N.P. Huntsville Limited Liability Company

Stores, Inc. and its Affiliated Debtors and Debtors in Possession and its Official Committee of Creditors Holding General Unsecured Claims (the “Disclosure Statement”) filed by the Debtors herein. In support of their objection the Objectors state the following:

1. They hereby adopt and reallege, as if set forth herein in full, the Objection of Longacre Opportunity, L.P. to Disclosure Statement with Respect to Joint Plan of Liquidation of Circuit City Stores, Inc. and its Affiliated Debtors and Debtors in Possession and its Official Committee of Creditors Holding General Unsecured Claims (Docket No. 4944).

2. In addition, the Objectors object to the disclosure contained in Section VIII, Subsection B of the Disclosure Statement, entitled “Substantive Consolidation.” The Objectors state that review of the schedules filed by the various Debtors indicates a substantial disparity in the asset-to-liability ratio among the Debtors, with at least one of the Debtors close to solvency. The Disclosure Statement indicates a projected payout on unsecured claims of the “consolidated” entities of from \$0 to \$0.135 per dollar. Thus it appears that substantial consolidation will be materially detrimental to at least one group of unsecured claims. Notwithstanding the foregoing, however, the Debtors state on p. 33 of the Disclosure Statement that

The Plan Proponents have engaged in extensive analysis of the Debtors’ Estates and the facts underlying the decision whether to substantively consolidate. Based on this analysis, as further set forth immediately below, the Plan Proponents have determined that the facts of these cases support the substantive consolidation of the Debtors’ Estates.

The Disclosure Statement omits any explanation or summary of the “extensive analysis” supporting the proposed substantive consolidation, thus making it impossible for a creditor to determine, when voting on the plan, whether substantive consolidation is appropriate or in its best interest. Therefore in this respect the Disclosure Statement fails to contained “adequate

information” within the meaning of 11 U.S.C. § 1125, and this Court cannot approve the Disclosure Statement for this reason.

3. Furthermore, although Section VIII, Subsection B of the Disclosure Statement states that, in connection with substantive consolidation, all guaranties of one Debtor of the obligations of another Debtor “shall be deemed a single claim against and a single obligation of Circuit City,” there is no disclosure of the effect this would have on the recovery of a creditor holding a claim against one Debtor guaranteed by another Debtor, in spite of the fact that, as referenced above, the Debtors have performed “extensive analysis” as to such matters. Therefore in this respect the Disclosure Statement fails to contain “adequate information” within the meaning of 11 U.S.C. § 1125, and this Court cannot approve the Disclosure Statement for this reason as well.

WHEREFORE, The Objectors respectfully request that this Court deny approval of the Disclosure Statement, and grant them such other and further relief this Court may deem proper and just.

Dated: September 18, 2009

GENERATION H ONE AND TWO LIMITED
PARTNERSHIP, INLAND SOUTHWEST
MANAGEMENT LLC, INLAND AMERICAN RETAIL
MANAGEMENT LLC, INLAND US MANAGEMENT
LLC, INLAND PACIFIC PROPERTY SERVICES LLC,
INLAND CONTINENTAL PROPERTY MANAGEMENT
CORP., TANGLEWOOD PARK, LLC, ROTH
TANGLEWOOD, LLC and LUCKOFF LAND
COMPANY, LLC TENANTS IN COMMON, DREXEL
DELAWARE LIMITED PARTNERSHIP and N.P.
HUNTSVILLE LIMITED LIABILITY COMPANY

By /s/ Augustus C. Epps, Jr.
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Counsel to the Objectors

CERTIFICATE OF SERVICE

I hereby certify that on the 18th day of September, 2009, I caused a copy of the foregoing to be served by electronic means on the “2002” and “Core” lists and through the ECF system.

/s/ Augustus C. Epps, Jr.
Augustus C. Epps, Jr.